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FIELD VISITS

MISSION REPORT

Field visit to Bulgaria and Georgia

(25 August-5 September 1999)

1. The present report outlines the findings of the field visit undertaken by nine members of the Executive Board to Bulgaria and Georgia. The visit took place from 25 August to 5 September 1999. The team was composed of representatives from the Permanent Missions to the United Nations of Antigua and Barbuda, Czech Republic, Democratic Republic of the Congo (Georgia only), Ethiopia, Germany (Georgia only), Jamaica, People's Republic of China, Thailand and Ukraine.^{1 2}
2. The team was accompanied by Mr. Richard Snyder, Chief, Executive Board Branch, UNFPA.

¹ H.E. Dr. Patrick Lewis, Permanent Representative of Antigua and Barbuda to the United Nations, was elected team leader.

² The rapporteurs were Mr. Atoki Ileka, Second Counsellor, Permanent Mission of the Democratic Republic of the Congo to the United Nations, for the visit to Georgia, and Mr. David Prendergast, Counsellor, Permanent Mission of Jamaica to the United Nations, for the visit to Bulgaria.



GEORGIA

(25 August-31 August 1999)

I. INTRODUCTION

3. The visit to Georgia, which was successful, was very well organized by the UNDP field office in Tbilisi. The Mission would like to express its sincere appreciation to the Government and the people of the Republic of Georgia for their hospitality, which made the task more pleasant.

4. The team would also like to thank in particular Mr. Marco Borsotti, United Nations Resident Coordinator and Humanitarian Coordinator, UNDP Resident Representative and UNFPA Representative, for his overall competence and for programming the Field visit in close cooperation with the national authorities. The briefing papers and meetings with high-level government officials, other United Nations agencies, key partners of civil society and some of the representatives of donor countries gave the members of the mission a better understanding of the United Nations involvement in Georgia.

5. The team would also like to commend Mrs. Tamar Khomasuridze, UNFPA National Programme Officer, and Ms. Julia Kharashvili, UNV National Community Facilitator for the arrangements and assistance extended to the members of the Mission.

6. The team would like to use this opportunity to thank the staff of UNDP and UNFPA for developing a comprehensive programme that included meetings with actors at all levels of the development process in Georgia. Our expressions of support and admiration go to all the dedicated participants in the local communities we visited and who with modest means are striving to improve the living conditions for the people of Georgia.

7. The team had a long meeting with H.E. Mr. Eduard Shevardnadze, President of Georgia.

8. The team also met H.E. Mr. Vazha Lordkipanidze, State Minister of Georgia, H.E. Mr. Irakli Menagarishvili, Minister of Foreign Affairs, Mr. Peter Mamradze, Deputy State Minister, Chief of State Chancellery, Mr. Lado Chanturia, Chairman of the Supreme Court of Georgia, Mr. Zurab Zhvania, Speaker of the Parliament of Georgia and Mr. Gogi Chanturia, Commissioner Extraordinary of the President of Georgia and Chairman of the Supervisory Council of the Georgian International Oil Corporation (GIOC). The Mission appreciated the importance given by these high-level authorities to the UNDP/UNFPA activities and took note of their willingness to work closely with the United Nations for the development of Georgia.

9. The Government of Georgia has shown great attention to UNDP/UNFPA assistance. The Mission was very well received by the top authorities, including the President of Georgia, H.E. Mr. Eduard Shevardnadze, the State Minister, H.E. Mr. Lordkipanidze, the Chairman of the Supreme Court, and the Speaker of the Parliament. The meetings arranged by the UNDP field office with the top authorities helped the mission members a great deal in understanding the

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priorities of the Government and the difficulties it is facing, whose solution will need assistance from United Nations organizations. The Mission believes that the programmes and projects of UNDP/UNFPA in Georgia reflect the actual situation of the country and are in line with the priorities of both UNDP and the Government. The results of ongoing projects are very much appreciated by the Government and the people who are receiving assistance.

10. The team was also very pleased by the extensive time spent by all the high-level authorities during the various meetings and the goodwill shown in restoring democratic principles and respect for human rights in the country.

II. BACKGROUND

11. Georgia, which is not only a country in transition but at the same time a post-war country with ongoing security problems, proved to be an interesting case for an Executive Board field visit.

12. Georgia regained its independence in 1991 after the break-up of the former Soviet Union. The country faced civil strife in the period immediately following independence. Although the security situation has improved, much work still remains to be done in this area.

13. Georgia is a multi-ethnic country whose composition is as follows: Georgian 70.1 per cent; Armenian 8.1 per cent; Russian 6.3 per cent; Azerbaijan 5.7 per cent; Ossetian 3 per cent; Abkhaz 1.8 per cent; other 5 per cent.

14. The Government has the general policy of incorporating Georgia fully into the international community. It relies on the Organization for Security and Cooperation in Europe, the United Nations and the informal Friends of the Secretary-General group (France, Germany, Russia, United Kingdom and the United States) to encourage comprehensive settlements of the conflicts in South Ossetia and Abkhazia. Direct discussions have also been initiated between Georgian officials and Abkhaz representatives. Georgia is a member of the Commonwealth of Independent States but is also actively reaching out to the wider international community. It is signatory to a partnership and cooperation agreement with the European Union and is a member of Partnership for Peace of the North Atlantic Treaty Organization. H.E. President Eduard Shevardnadze has personally reached out to his Caucasus neighbours to encourage cooperation on a range of issues.

III. OBSERVATIONS AND SITUATION ANALYSIS

The role of UNDP

15. The UNDP contribution to the development of Georgia is valuable and in line with its current country cooperation framework (CCF), which focuses on strategic priority needs of the country.

16. The UNDP field office works closely with the various government agencies concerned to ensure that the projects selected provide the necessary assistance

at the right time to the people who badly need it. The non-governmental organizations (NGOs) in Georgia also play a very important role in project implementation by providing different kinds of technical cooperation, especially in the field of gender in development.

17. There are four points that need to be emphasized:

(a) The highest authorities of the Government attach great importance to the assistance provided by the United Nations in the country;

(b) There is close cooperation between UNDP and the Government concerning the formulation and implementation of programmes and projects;

(c) The Resident Coordinator ensures effective coordination among the various United Nations agencies;

(d) Priority is given to humanitarian initiatives and gender issues.

18. In line with the present first CCF for Georgia (1997-1999), UNDP focuses its interventions in the following main areas: (a) capacity-building for good governance at the levels of the presidency, Parliament, the judiciary, the civil service and local government; (b) conservation and management of the environment; (c) poverty reduction through policy advice, economic growth and rehabilitation in specific areas.

A. Capacity-building for governance

19. While both the United States and the European Union are putting greater emphasis on providing assistance for institution-building, Georgia continues to depend on humanitarian aid from both sources.

20. Since the civil war in 1994, the country has gone through massive nation-building, involving political, economic and social reforms. UNDP, as well as the World Bank, the International Monetary Fund (IMF) and various bilateral and multilateral donors, plays an important role in assisting Georgia to strengthen its capacity in the area of management information systems, particularly at the State Chancellery.

21. It is interesting to note that there are a number of active national NGOs in Georgia. Cooperation between the Government and NGOs and civil society is impressive. At the local level, there is a coordinating meeting between NGOs and local authorities to ensure that no bureaucratic layer or duplication of existing bureaucracy be created. The presence of NGOs nation-wide has accelerated the development of the country, including rural areas. The comparative advantages of NGOs i.e., their capacity to mobilize resources, their presence in the field, their non-bureaucratic working style, have helped to bridge the weakness of the Government in these areas.

22. UNDP/UNFPA cooperation in Georgia is vital, as pointed out by the representative of the Ministry of Foreign Affairs. The representative also said that the UNDP cooperation with the Government in capacity-building was the only

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correct approach to solving the problems of Georgia. The team saw clearly how much the Government appreciated UNDP cooperation.

Support to the promotion of the rule of law

23. While it is not an easy task to introduce initiatives in the fight against corruption when the country is in the process of nation-building and reform, the Government's campaign in this area has shown some positive signs. Much remains to be done, however.

24. The Constitution of Georgia guarantees human rights and the democratically elected Parliament is in the process of passing a series of laws that will bring the provisions of the constitution fully into force. The Government has made other significant progress in human rights issues over the past year: the human rights protection body has been strengthened and the Office of Public Defender has been established. Further examples include the designation of a national security adviser to the President on human rights issues and greatly improved access to detainees and prisoners by international human rights monitors although local monitors reported continuing obstacles to gaining permission to visit detainees.

25. Judicial reform is also under way; for example, Parliament has passed a law that will increase judicial competence and independence and the new Criminal Procedures Code has been adopted that will put into effect constitutional protection. The death penalty was abolished in 1997 by an amendment to the Code that was made possible with UNDP support. Death sentences already handed down have been commuted to long prison sentences.

B. Conservation and management of the environment

26. UNDP and the World Bank contribute financially to the reconstruction of the abandoned, polluted industrial site in Rustavi, including the manganese dump. The project will enable this once prosperous industrial site to return to normal. It is, however, cause for concern to learn that manganese waste generates negative effects on the health of people living in the vicinity.

27. UNDP assistance provides relevant support to the Georgian International Oil Corporation (GIOC) in helping this State company to clean oil spills in its loading yards. UNDP plays also a major role in assisting the GIOC in carrying out studies on the environmental impact of its future investments and in establishing environmental standards and training programmes.

28. UNDP assistance is relevant in introducing new sources of energy and renewable energy for development. The Mission had the opportunity to visit one project that is now functioning without external help.

C. Poverty reduction through policy advice, economic growth and rehabilitation

29. UNDP has been instrumental in the progress made towards macroeconomic stability by the Government, which had privatized a substantial portion of small and medium-sized firms.

30. While the prerequisites for economic recovery are being put in place, the overall situation remains difficult. Both urban and rural families continue to endure significant hardships and must cope with shortages, especially of electricity and water. There are also lengthy gaps in the flow of natural gas, which is used to heat homes and cook meals. While food is plentiful, the diet of most Georgians continues to be restricted as a result of high prices and low salaries.

31. Georgia's electrical energy sector is in critical condition. The Government has announced plans to privatize the distribution network of the energy sector by the end of 1998 and the energy-generation system by 1999. Privatization is the only means to generate the capital needed to rehabilitate the sector.

32. Over the past two years, the Government has instituted dramatic reform measures that have halted the economic free-fall. Unemployment remains high, however. The lack of essential inputs for production and the exorbitant prices for critical commodities have to a great extent slowed economic reform and recovery. While a significant parallel economy has developed and benefits the top tier of the urban population, living conditions are generally very austere. The rural population survives largely by means of subsistence farming.

Post-conflict regional rehabilitation and development programmes

33. The Government has successfully eliminated the infamous paramilitary organizations that had challenged and, in some cases, substituted for the authority of public officials immediately following the country's civil war. The Government has initiated a campaign to reduce corruption in the security and law-enforcement agencies, an action it hopes will lead to increased public confidence in these organizations.

34. The economic and social situation in Abkhazia is very difficult, and is worsened by the embargo imposed by the Commonwealth of Independent States. Approximately two thirds of the pre-conflict population has left. The population is reliant on international humanitarian aid.

35. UNDP has already initiated a rehabilitation and development programme for the Tskhinvali (South Ossetia) region, designed to build confidence between the two sides. The outcome of the programme, which it is too early to evaluate, would be of interest for the creation of similar programmes in other regions of Georgia, where appropriate.

D. Coordination

1. The resident coordinator system

36. It was observed that there is an excellent working relationship between the Resident Coordinator and his government counterpart. This factor contributes to a positive, constructive working environment on both sides that facilitates a speedy response to the needs of the Government. Self-reliance and ownership are also key elements in the way in which UNDP participates in the projects in the country.

37. One point that needs to be mentioned is that the Resident Coordinator is carrying out the coordination function in a very active way. The meeting organized by UNDP with the heads of United Nations organizations, Bretton Woods institutions and bilateral donor countries held on a monthly basis reflected the well-established mechanism of donor coordination headed by the Resident Coordinator. For example, the humanitarian projects are joint undertakings of the Food and Agriculture Organization of the United Nations (FAO), the Office of the United Nations High Commissioner for Refugees (UNHCR), the World Health Organization (WHO), the International Organization for Migration (IOM), the World Food Programme (WFP), the United Nations Volunteers and the International Red Cross and Red Crescent Movement. Each organization plays a different role in the same programme in a coordinated way, which has greater impact.

2. The Humanitarian Coordinator

38. The Resident Coordinator, as the Humanitarian Coordinator for the United Nations system plays a very important role in coordinating humanitarian and development work on the ground. There is efficient coordination among all humanitarian and development agencies involved.

39. Humanitarian assistance in the country is effective and every effort is made to ensure its coordination through regular meetings. United Nations agencies and international humanitarian organizations such as the International Rescue Committee, WFP, FAO or Red Cross present in the country each play an important part in assessing the social and economic hardships of internally displaced persons (IDPs). A multisectoral approach is used to create maximum development impact and a long-term resolution for IDPs. Income-generation, health-care provision and capacity-building for IDPs are the main focus of the assistance with a view to promoting the self-reliance of IDPs. Assistance is also directed to creating jobs for local people and developing labour skills.

40. Through the field visit arranged by UNDP, the Mission was able to understand that humanitarian activities and gender issues are very much emphasized in Georgia and that they do indeed reflect the actual needs of the country. The emergency assistance provided by the Red Cross to vulnerable people, the basic food and winter programme from WFP, the capacity-building provided by UNV, the project "from emergency assistance to development" provided by UNHCR, the national health programme of women and children from WHO, and the fund and monitoring function from UNDP are jointly playing a very effective role

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in the region of conflict. Gender-in-development programmes are well organized with good, sound results.

3. Gender-in-development

41. The Government and the United Nations system are actively collaborating on the implementation of the Beijing Plan of Action. This is one of several areas where Georgia is actively using the outcomes of United Nations-sponsored international conferences in advancing social policy development.

4. Management and administration

42. In seeking to build a unified presence in Georgia, United Nations organizations have relocated to the United Nations House. This has facilitated the use of common services, which has further enhanced cooperation. Common services include shared conference facilities, telecommunications services and joint training as well as elements such as procurement, maintenance, information services, and certain administrative services.

43. It was stressed to the team that national staff are the backbone of UNDP and UNFPA operations, and that those organizations should invest further in national staff training and other career development options.

44. National execution is the principal modality for executing UNDP-assisted projects.

E. Resource mobilization

45. Although Georgia's economic recovery has been hampered to a great extent, impressive gains have been made. The October 1997 IMF review showed that the Government has met most IMF macroeconomic targets under its Enhanced Structural Adjustment Facility programme. Inflation has fallen from 500 per cent to 8 per cent over the past three years; economic growth reached 10 per cent and is now in the 3-4 per cent range; the national currency, the lari, has remained stable; and progress continues towards membership in the World Trade Organization (WTO). (The Government has signed the Protocol of Accession to WTO.) The Government has passed laws on commercial banking, land reform and tax reform, all of which are important steps in the effort to attract foreign investment.

46. To conduct activities in these areas, resources from the following sources are being used:

(a) UNDP core resources amounting to some \$8.4 million (target for resource assignment from the core (TRAC) lines 1.1.1, 1.1.2 and 1.1.3);

(b) Multi-bi funds (especially from Denmark, the Netherlands, Norway and Sweden) and host government cost-sharing of about \$8 million (exclusively

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through projects with the Georgian International Oil Company in the area of environmental conservation and management).

47. The broad range of donors active in Georgia include:

(a) Bilateral donors, who are either present in the country or who contribute by means of bilateral resources channelled through UNDP (multi-bi); for some of them, Georgia is not considered a global priority country, at most a priority country within the Caucasus region. Exceptions to this are Israel and the United States, who, by and large, concentrate their activities on areas different from the UNDP priority areas, e.g., the energy or the agricultural sector.

(b) Multilateral donors, among whom the World Bank, the IMF and the European Union dominate through their large financial volume. However, the small financial contributions of UNDP to the development of Georgia are nevertheless of great importance, especially where non-bureaucratic, quick action is required (e.g., support to GIOC or assistance to the Office of the President).

48. It was emphasized that neutrality is a prerequisite for successful cooperation. Examples given were the UNDP-supported anti-corruption activities or the mediation between the Government and the local population in issues relating to internally displaced people. In such cases, UNDP functions as either (a) the coordinating agency, coordinating activities of the United Nations organizations in Georgia but also those of all donors, as was the case with the civil aviation project and the support activities for IDPs or (b) as the agency that supports foreign-aid coordination through building the capacity of the Government, as was the case in the UNDP contribution to the establishment of the Aid Coordination Agency of the Chancellery.

49. Small grants are appreciated and have been used, for example, to procure data-processing equipment for the Government; to secure first-class professional expertise in technical areas (e.g., quality control for manganese production or technical knowledge in the area of environmental protection); and where seed money is required to initiate activities in a certain sector (e.g., the initiation of the post-conflict regional rehabilitation and development project, in collaboration with United Nations organizations through the Inter-Agency Task Force on Humanitarian Affairs).

F. United Nations Volunteers (UNV)

50. The UNV potato-growing project in the central region (one of the poorest areas in the country) aims at income-generation. Through the fund provided by UNV and the Government of the Netherlands, farmers are able to buy high quality potato seeds. The seeds are distributed to 25 poor families in the village. The revenue generated from the local collective farm is used to renovate the youth centre, where children gather together and have common activities and where meetings are convened and training provided.

51. UNV also takes part in children's activities. It organizes children's camps and exchange-student programmes between Georgia and Armenia. It also issues regular publications for children through which children can learn about the history of minorities and peace. UNV also supports local TV broadcasting and provides advice to local people on their rights.

G. The role of UNFPA

52. The principles of the International Conference on Population and Development (ICPD) form the basis of the UNFPA presence in Georgia, on recognition of the urgent need for countries with economies in transition to receive temporary assistance from the international community for population and development activities.

53. UNFPA has provided assistance to the Republic of Georgia since 1993. UNFPA has approved several projects that address emergency needs, provide supplies for contraceptives and strengthen the reproductive health programme.

54. UNFPA provides contraceptive and technical assistance to the Ministry of Health through the Zhordania Institute (a parastatal organization) for improving reproductive health care throughout the country. The Government has a strong commitment to reproductive health. With UNFPA assistance, the reproductive health centres can provide quality reproductive health services to the population. The reproductive health plan encompasses all the essential components: training national experts and doctors; establishing reproductive health centres; supplying contraceptives; providing information; and enhancing communications.

55. Accurate information about reproductive and sexual health is being disseminated among the target groups, which include adolescents and refugees, by publicizing reproductive health issues such as safe sex, use of condoms and methods of family planning, in sports magazines, women's magazines, and medical magazines, with contribution from celebrities. The outreach is impressive.

56. UNFPA assistance to the country's reproductive health services is valuable and effective. The team visited the local reproductive health centres in Kutaisi and Batumi and acquainted itself with local staff, observed the medical departments and had a briefing with representatives of the Ministry of Health and the Zhordania Institute (created in 1958) dealing with human reproduction.

57. The practical implementation of the UNFPA project started in March 1997; so far, only preliminary results are known and it will take a long time to carry out the final evaluation. One of the main objectives is the prevention of unsafe abortions. During the National Forum on Family Planning, held in May 1997, which was very successful, many leaflets were distributed and the Journal on Reproductology, the first of its kind in the region, was launched. Contraceptives have been distributed in five centres: Tbilisi, Rustavi, Kutaisi, Batumi and Gori. Problems encountered include the absence of reproductology studies and the lack of statistical data on reproduction health.

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58. At the present stage, however, it is difficult to plan for the long-term sustainability of the centres, given the financial and social difficulties the country is facing. Furthermore, Georgia does not have reliable data such as a census, which would be of great importance in conducting an evaluation of the ongoing programmes and planning a cooperation framework.

59. In the health sector, the World Bank is assisting the reform process through the development of a legal framework and the improvement of efficiency of public expenditures in this sector while WHO provides technical assistance in defining the public health strategy for Georgia.

60. The team exchanged views with the local authorities of the Samegrelo region, where a project to establish a sustainable health-care system is being implemented. The Samegrelo region borders on Abkhazia and is considered as having the most vulnerable population in the context of ethnic conflicts and moving population (i.e., IDPs). The project is based on cooperation with the national Health Management Centre, the Ministry of Health and international technical support.

61. In addition to its cooperation with the Zhordania Institute in implementing its various projects, UNFPA also works in close cooperation with other donor agencies. In this endeavour, UNFPA operations fall into five categories:

- (a) Training abroad of national personnel, one of whom has become the UNFPA National Programme Officer;
- (b) Training of doctors and midwives for the various projects in Georgia;
- (c) Establishing and rehabilitating reproductive health centres;
- (d) Supplying and distributing medical equipment;
- (e) Informing and educating the population on reproductive health issues.

IV. RECOMMENDATIONS

62. The team encourages UNDP and UNFPA to:

(a) Continue to support the Government in building its capacity in management information systems. By collecting national legislative, executive and administrative data, the Government will be able to take better decisions in response to the urgent social and economic needs of the country in a timely manner. It is imperative for the Government to be fully equipped with all the necessary information;

(b) Continue to support capacity-building for human resources, in addition to institutional capacity-building, so that the Government can continue to depend on its national expertise, thereby ensuring sustainability;

(c) Continue to give valuable support to the activities of NGOs. The potential of NGOs in accelerating social, economic and political development of the country is enormous;

(d) Continue to maintain its efficiency and effectiveness in collaboration with organizations such as UNHCR;

(e) Provide, whenever requested, all possible assistance to the Government of Georgia to support the development of institutional mechanisms for coordination and implementation;

(f) Continue to elaborate the concept of national security with the Georgian authorities;

(g) Continue to support regional cooperation schemes in the Caucasus region;

(h) Continue to provide more assistance in the area of peace-building and development, particularly when humanitarian assistance will be fading out in the future. Development agencies such as UNDP should continue to offer support in formulating and implementing initiatives in this critical area to ensure the long-term, sustainable development of people affected;

(i) Be prepared to undertake, if requested, an intervention in post-conflict peace-building and development to ensure sustainable peace and development;

(j) Continue to facilitate the delivery of humanitarian aid in cooperation with relevant agencies to the most vulnerable groups of the population affected by the consequences of the conflict;

(k) Play a role in the elaboration of anti-corruption legislative instruments in collaboration with Governments and undertake greater efforts in this respect. For example, UNDP and UNFPA and other organizations should further strengthen support to the Government's anti-corruption projects, including its capacity to assess and evaluate projects;

(l) Continue to support the project on the reconstruction of the abandoned and polluted site in Rustavi and help to facilitate the creation of a management mechanism to minimize negative effects to human health;

(m) Continue to support UNV involvement that, despite its limited resources, could focus on strategic areas such as establishing income-generation activities in the poorest areas and creating children's awareness for peace and providing a forum for youth to express and exchange their ideas, hopes and aspirations;

(n) Continue to play a supportive role to the reproductive health centres and local authorities as part of the reproductive health plans;

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(o) Ensure, by long-term planning, the sustainability of the programme in order to limit the dependency of the Government on UNFPA and donor assistance to sustain the reproductive health programme, which remains very high;

(p) Continue to facilitate the development of population data collection and analysis system for effective development planning. In that respect, UNDP/UNFPA assistance in helping to conduct the Georgian census would be greatly appreciated;

(q) Continue its advocacy activities in the absence of comprehensive reproductive health studies;

(r) Continue to assist the Government of Georgia in conceiving a national programme on reproductive health;

(s) Continue to address the issue of better coordination - through documentation and sharing of experiences - with the aim of ensuring the effective use of pilot experiences, thereby facilitating the replication and scaling-up of such programmes.

63. The Resident Coordinator and his able team are encouraged to keep up their excellent work in the field.

BULGARIA

(31 August-5 September 1999)

I. INTRODUCTION

64. The team visited government and local authorities, and non-governmental organizations (NGOs) in Sofia, the capital of Bulgaria; Devin in the Blagoevgrad province/region; and Veliko Turnovo in the Veliko Turnovo province.

65. The objective of the mission was to assess the extent to which the UNDP country cooperation framework and UNDP activities are compatible with the national development priorities of Bulgaria as well as with the policies of UNDP and UNFPA. UNDP is among Bulgaria's oldest development cooperation partners - the first joint-UNDP/Bulgaria project started in 1966. Since then, UNDP has funded over 300 projects and short-term consultations.

66. The fifth country programme (1993-1996) was launched with a focus on enhancing the national policy dialogue on the transition, contributing to poverty alleviation, which was a newly emerging issue in Bulgaria, employment creation and environmental protection. During this period, \$3.6 million was spent on specific projects, of which half were funded by UNDP and half by Bulgaria and donor Governments.

II. OBSERVATIONS AND SITUATIONAL ANALYSIS

67. The first country cooperation framework (CCF) for Bulgaria, covering the period 1997-1999, is currently being implemented. The UNDP thematic areas of concentration were identified after careful analysis of Bulgaria's human development situation in relation to UNDP's mandate. These priority areas were identified as follows: (a) reversing improvement and decline in the quality of life of the population - with a focus on policy analysis and formulation, social integration, employment promotion and environmental protection and regeneration; (b) promoting good governance for sustainable human development (SHD) - with a focus on policy analysis and formulation, civil society participation, management efficiency and international repositioning.

68. In discussions with UNDP, the team was informed that UNDP had sought to identify areas where it had a comparative advantage so as not to spread itself too thinly. UNDP saw its comparative advantage in the two priority areas identified in the CCF: poverty alleviation and good governance for SHD. UNDP had organized its interventions in Bulgaria specifically along these lines.

69. As many other countries with economies in transition, Bulgaria experiences quite difficult periods in the transformation of its economy to one with market-based principles.

70. In 1996-1997, Bulgaria survived a severe humanitarian crisis. During this period, living standards dropped and poverty and unemployment increased.

A. Poverty alleviation and job creation

71. In the area of poverty alleviation and job creation, UNDP initiated the Beautiful Bulgaria project, which is currently being implemented, and includes Beautiful Sofia and Beautiful Veliko Turnovo. This initiative is a good example of identifying where the UNDP niche lies in utilizing its administrative and financial management, mobilizing financial resources from the European Union and domestic resources and using its limited financial resources.

72. The team observed the commitment of UNDP to job creation through the various projects. Securing sustainable livelihoods through permanent and temporary job creation has been the mainstay of UNDP programme activities in Bulgaria since 1995.

73. Discussion with officials of the Ministry of Foreign Affairs confirmed that UNDP job-creation efforts target the vulnerable and the unemployed. The UNDP programme therefore affects a certain area of the population. The job-creation efforts manifest themselves in the following areas: (a) supporting the enabling environment for small businesses; (b) public works and vocational training; (c) demonstrating good practices for national development. The team was able to observe some of the projects in these areas - a first-hand opportunity to observe the work of UNDP in collaboration with the various actors in carrying out its mandate of job creation.

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Supporting an enabling environment for small business

74. In this area, UNDP has collaborated with the International Labour Organization (ILO) in formulating and implementing projects to support the small and micro-enterprise sector, which is of great importance in the transition of a country to a market economy. This has produced very good results. Five business and promotion support centres have been established since the mid-1990s, aimed at strengthening and creating entrepreneurial opportunities in different regions of the country. At the end of 1998, the centres had helped to establish 27 new small and micro-enterprises, creating over 420 permanent jobs. In addition, the business centres had trained over 1,700 people in vocational skills and provided over 1,300 consultancies to firms and individual entrepreneurs.

75. The team visited the Business Centre in Devin, where a business support centre was established in 1998 within the UNDP project framework to assist unemployed women throughout the Devin region. This is a small but successful project. UNDP, with the cooperation of ILO, national NGOs and the Ministry of Labour, had introduced the idea of doing business and to encourage people to start their own businesses. Although the business centres are profit-generating organizations, activities relating to unemployed women are provided free of charge. The Business Centre also provides consulting services, information and advice. The business centres play the role of loan guarantors, and also help to establish the business contacts between entrepreneurs. Women who would like to receive loans to start up their micro-enterprises are eligible for loans of up to \$3,000. Some of the local people have expressed their wish to turn the town into a tourist attraction. It will, therefore, be important to sensitize local people to issues relating to environmental preservation and protection.

76. The team was able to interact with some of the beneficiaries, learning that 65 jobs had been created so far, 61 of which were for women. Other results included the training of 133 people in tourism development, English language, computing and typewriting.

77. The team was impressed at the innovative nature of the project, which empowers women by encouraging them to take advantage of entrepreneurial opportunities and by equipping them with the basic skills required. In addition, the business centres aim to become autonomous NGOs, representing local responses to the challenges of globalization and helping in the process of alleviating poverty by strengthening local capacity. At present, the activities of the business centres are self-sustained and add value in the context of further economic development.

Public works and vocational training

78. The creation of public works schemes, which provide temporary jobs, is a proven method for generating employment among the long-term unemployed. The Beautiful Bulgaria project is a practical manifestation of this. It is targeted at five cities, Sofia, Ploudiv, Rousse, Veliko Turnovo and Varna.

79. The team visited sites in Sofia and Veliko Turnovo and observed that Romas (a minority group) were employed on these sites. It is understood that this is

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an opportunity for their employment and can help to integrate them into the ranks of the employed.

80. Upon request, the team was able to meet with some of those employed in Veliko Turnovo. This provided a first-hand opportunity to see the impact that the job creation initiatives had had. It was the general feeling that the project was useful in providing employment opportunities and is contributing to financial support for the families of those employed. The general perception was that UNDP was the driving force behind the project and in providing the job opportunities.

81. The Beautiful Bulgaria project also demonstrates UNDP collaboration with the Government, local authorities and the European Union. The two latter have provided financing for the project. Since its inception, the project has created 5,000 jobs. Over 2,200 unemployed were trained in basic construction skills and "start-your-own-business" skills. However, the capacity of the market to absorb the workforce remains to be resolved. In this regard, long-term solutions need to be found to generate income for people. The team participated in the signing ceremony of an agreement on the joint implementation of the project "Beautiful Bulgaria II".

82. The local authorities were very appreciative of the work of UNDP and stressed the role played by the organization in creating the framework for the project. The authorities, particularly in Veliko Turnovo, expressed the hope that collaboration with UNDP would continue.

Demonstrating good practices for national development

83. The Regional Initiatives Fund (RIF) pilot project, which will evolve into a National Investment Fund, is a collaborative effort between the Government of Bulgaria (Ministry of Labour), the World Bank and UNDP. The total value of this project is \$5,750,000. It demonstrates UNDP ability to work with national authorities, international donors and experts to design and implement a number of pilot initiatives to address the problems of the poor- and degenerating-physical and social infrastructures.

84. Supported by a \$5.3 million loan from the World Bank, the initiative aims to increase employment and improve access to public utilities and increase employment for those parts of the population hardest hit by Bulgaria's transition. The projects will focus on repairing/installing water-supply systems and building roads. Other projects will aim to improve irrigation and sewage systems, build medical centres and schools, etc.

85. The team met with the Minister of Labour, who noted that without UNDP money, the RIF would not have been started. The project began solely with UNDP money, with World Bank funding coming at a later stage. UNDP also played an instrumental role in finding other donors and remains an observer in the steering Committee for the RIF. An important aspect of the RIF is that it will be implemented through the use of the national execution modality, both with Government and NGO entities.

B. Promoting good governance for sustainable human development

86. Activities in this thematic focus area have focused on: (a) developing a culture of good governance and (b) encouraging participation at the community level.

Developing a culture of good governance

87. A major component of the CCF is to support national and local initiatives in the area of good governance and popular participation. UNDP has produced and disseminated a number of reports and has supported the development of a national dialogue on different aspects of government and social reform in Bulgaria.

88. UNDP has actively participated in the publishing of the National Human Development Report since 1995 and the Human Development Report of Sofia, the third such report to focus on a city. The team was presented with copies of both these reports.

89. A major part of promoting the dialogue between all stakeholders has been the establishment of a virtual network of government, civil society and private sector organizations; this has included a network of 49 institutions on the Internet, training over 340 people in Internet use and facilitating the transparency of the Government through the publication of government web pages.

Encouraging community participation

90. The chitalishtes are traditional Bulgarian institutions with a countrywide network and a 160-year history. During the communist regime, the main role was cultural and educational. The UNDP project aims to transform Bulgaria's 4,000 chitalishtes into focal points for community decision-making on all issues concerning local people. Chitalishtes also play the role of business centres, providing jobs and creating business opportunities.

91. The chitalishte in Elin Pelin, which the team visited, has helped local communities to revive traditional crafts. The skills are being passed on to young Bulgarians who learn to make traditional artifacts. It has facilitated the participation of both the young and old in the activities of the chitalishtes.

92. The chitalishtes are helping local people to solve local problems, providing citizens with advisory services and acting as intermediaries between communities and local government. At a time when resources from the State are declining, UNDP is helping the chitalishtes to identify new activities that are relevant to the continuing changes in society and that can help them to determine new roles and revenue sources for the future.

C. The United Nations Development Assistance Framework (UNDAF)

93. The United Nations presence in Bulgaria is limited to the Office of the United Nations High Commissioner for Refugees and the United Nations Joint and Co-sponsored Programme on HIV/AIDS; the World Bank and the International

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Monetary Fund (IMF) are also present. The Food and Agriculture Organization of the United Nations currently has a project and there is a UNICEF national committee.

94. In reply to queries about the prospects for the UNDAF, the Mission was informed that owing to the limited representation in Bulgaria, coordination was very informal. Coordination also involves other donors. It was the Mission's impression that the coordinating framework between United Nations agencies, the World Bank, IMF and other donors was very good. This was also demonstrated by the involvement of all these actors in funding projects such as the Beautiful Bulgaria project and the Regional Initiatives Fund.

D. Resource mobilization

95. UNDP has been actively mobilizing support for some of the projects such as the RIF, which began with UNDP money. UNDP has, as was the general impression, acted as facilitator and has provided policy advice and support while recognizing its own funding limitations.

E. United Nations House

96. The few United Nations bodies in Bulgaria are housed on the same premises, which allows for better collaboration. The UNDP office is currently in the process of identifying new premises as the present location can be inconvenient. It does not provide easy access to Sofia's centre and government ministries.

F. Communications

97. UNDP is well known in Sofia, particularly through the Beautiful Bulgaria project. Average people, particularly those employed on the projects, know about UNDP. The team's impression is that UNDP has done well to promote the areas in which it feels it has a comparative advantage, with the result that UNDP is known within the job-creation/poverty-alleviation framework.

G. General observations

98. The collaboration between the Government, UNDP and other donors is very strong. The Government has placed confidence in UNDP as a facilitator and as a neutral partner in development cooperation.

99. UNDP has identified its areas of comparative advantage and has been working in these areas to promote SHD in Bulgaria.

100. Civil society organizations and NGOs in Bulgaria are helping to absorb some of the social costs of the transition. UNDP might want to explore the possibility of lending support to potential NGOs as they can play a complementary role in securing human development.

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101. UNDP projects in Bulgaria support a number of pilot schemes aimed at improving citizens' participation. UNDP is helping to formulate national policies and strategies on reducing poverty and increasing decentralization.

102. Local government is involved in UNDP projects and is very helpful in supporting, if not by providing finance, by providing support in the form of other facilities (premises, consultations, etc.).

III. RECOMMENDATIONS

103. The team encourages UNDP/UNFPA to:

(a) Continue its work in promoting poverty alleviation, job creation and good governance; and continue focusing on the areas in which it feels it has a comparative advantage;

(b) Continue to encourage the use of the national execution modality through government agencies, local authorities and NGOs;

(c) Strengthen its collaboration and cooperation with the other United Nations bodies, development agencies and donors;

(d) Continue its work in helping to formulate national policies and strategies on poverty reduction, and in facilitating a dialogue between all stakeholders;

(e) Continue its innovative approach to building sustainable livelihoods at the community level by using the traditional community-based organizations;

(f) Maintain and, if necessary, increase its advocacy on social issues such as poverty and the status of women;

(g) Provide, upon request, assistance to the Government of Bulgaria to support its development objectives and the development of institutional mechanisms for coordination and implementation;

(h) Continue its work in human capacity-building and utilize, where possible, national expertise to ensure sustainability;

(i) Work closely with the Government of Bulgaria in the formulation, execution and implementation of comprehensive, national reproductive health programmes;

(j) Share the experience of implementing the Beautiful Bulgaria project with other countries and regions (with a view to utilizing similar experiences, where applicable).